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17 AUG 1976

MEMORANDUM FOR: Chief, Management and Assessment Staff, DDA

FROM : James H. McDonald
Director of Logistics

SUBJECT : Presidential Management Initiatives

1. In response to your telephone request to [REDACTED] STATINTL of our Plans and Programs Staff, on 16 August, we are forwarding material on the four areas of the Presidential Management Initiatives which Office of the Comptroller has identified for our action. They are:

a. Contracting Out - some in-house functions which were considered as candidates for contracting out but are continuing to be performed in-house because of security or financial efficiencies. (Attachment A)

b. Reproduction Equipment - a short description of the system which we are using to control the acquisition and use of reproduction equipment. (Attachment B)

c. Office and Other Space - comparative statistics, using 1 July 1973 and 1 July 1976 space figures, and their relationship to GSA standards. (Attachment C)

d. Productivity Measurement - a brief description of some functions which are subject to a statistical measurement of production. (Attachment D)

2. Needless to say, the attached material was assembled very hastily and its quality might have suffered somewhat as a result. We trust that it will meet the immediate requirement and that future responses can be developed in a more orderly fashion.

[REDACTED]
James H. McDonald

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CONTRACTING OUT

As a means of increasing Government reliance on the private sector for procurement of products and services instead of obtaining those products and services from within the Government employing Government personnel, contracting out has been established*by this Agency. Successful efforts by the Agency in this field of endeavor are numerous and will not be recounted here; instead, some of those things which were seriously considered as candidates for the Agency contracting-out program but which did not materialize are summarized below.

*Government policy for some time and has been actively employed

1. Agency Shuttle Bus Service - At the time commercial bus service was considered as a total substitute (vehicles, drivers, maintenance, supervision, and inspection) for the Agency shuttle bus service, the Agency service was operated with 10 vehicles and 10 drivers. Of the 10 vehicles, 3 "Blue Bird" buses and 2 "Checker limousines" were operated on a regularly scheduled basis--12 and 11 hours per day respectively. Therefore, a minimum of 5 commercial buses would have been required to replace these regularly scheduled vehicles. The funds required at that time to effect replacement was determined to be approximately \$216,000 which would have been, of course, offset to some extent by elimination of Agency drivers' wages (approximately \$125,200) and savings in vehicle replacement, operating, maintenance, and overhead costs. Although more costly, there was no indication that increased efficiency would result--in fact, some curtailment in service was more likely. An additional concern was loss of control over a service which is essential in the performance of daily business.

2. Executive and DCI Dining Rooms - In December 1973, it was decided that the feasibility of having a commercial firm operate the DCI and Executive Dining Rooms (EDR) would be explored. The Government Services, Incorporated (GSI), was asked to submit proposals for both the operation of the DCI and EDR dining rooms in their present mode and with scaled-down or modified service. After some exchange of correspondence, it soon became obvious that GSI would not be able to match the Agency in either efficiency or economy of operation. In addition, GSI stated that they could not perform these services without a subsidy from the U. S. Government. It was concluded, therefore, that it would not be in the Agency's best interests to include these facilities in the contracting-out category.

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Contracting Out

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3. [REDACTED] The feasibility of contracting out the printing of the [REDACTED] was given serious consideration during the latter part of 1973 and early 1974. It was determined that contract printing of the report would not be a cost-effective proposition. A brief summary of the reasoning behind this determination is as follows:

a. Cost - The most logical road to contracting out this particular service was determined to be through GPO, and P&PD (then PSD) estimated that out-of-pocket costs to the Agency would be far in excess of the FY 1975 estimated cost of \$350,000. If GPO had decided to perform the service in-house, it would have saved P&PD nine positions at the subprofessional salary level; however, it would have required an equal (more likely greater) number of additional employees at GPO.

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b. Effectiveness - Considering at the time that the [REDACTED] PSD operations had evolved into a finely adjusted match of requirements and capabilities, that the report was 100-percent reliable (a publication deadline had never been missed), and that the success of the report depended in large measure on the close coordination of planning and implementation between [REDACTED] and the printers, it was difficult to imagine the private printing industry matching that degree of effectiveness. Further, the P&PD response was highly flexible. [REDACTED] supplements, the need for which was frequent but often unpredictable, were easily accommodated. It was extremely doubtful that a contractor would be as flexible unless the Agency paid heavily for the additional service.

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c. Administration - The difficulty of dealing with the printer through the GPO and the fact that automated requirements for the [REDACTED] had not yet been defined would have involved the Agency in open-ended renegotiation of the contract with the printer.

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ATTACHMENT B

REPRODUCTION EQUIPMENT

Upon recognizing the overlapping responsibilities and duplication of effort between the Information Systems and Analysis Staff (ISAS) and the Printing and Photography Division (P&PD) in the area of reproduction equipment, copier equipment management was centralized in P&PD on 17 February 1976. The Systems Staff, P&PD, currently receives and technically reviews all requests (rental or purchase) for copier equipment. The staff also forwards their recommendation for approval or disapproval together with the request to the Chief, P&PD. If approved, the request is forwarded to the Supply Division for processing. If disapproval has been recommended, the Systems Staff prepares a memorandum for the signature of C/P&PD to the Chief, ISAS, explaining why the request should be disapproved. The Chief, ISAS, makes the final decision in this situation. A copy of the request, along with the justification and P&PD Systems Staff recommendation, is maintained in the Systems Staff, P&PD.

The P&PD management responsibility for copier equipment also entails the maintenance of a master file of information on all Agency copying machines by make, model, and serial number; by directorate and office; by building, floor, and room number; or by rental number. P&PD also maintains an automated program which performs calculations of monthly copying volumes for Agency copiers from meter readings and indicates when a particular machine exceeds its minimum or maximum volume specifications. The program also recommends a specific replacement model when that situation occurs. In their management responsibility, P&PD also makes every effort to advise Records Management Officers concerning new copiers, purchase prices, rental costs, and capabilities.

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ATTACHMENT C

OFFICE AND OTHER SPACE

In this brief study of office and other space occupied by the Agency, 1 July 1973 was used as the base date and 1 July 1976 as the comparison date. It should be noted that the Computer Report, Agency Metropolitan Space (CRAMS), report is the basic source for all data provided. This has created certain problems since this report is intended for administrative use and, because of this, does not include office or other space which has been declared "covert" space. We find, therefore, that certain space which was listed on the CRAMS report in 1973 has subsequently been redesignated as covert space and, thus, dropped from the report. [REDACTED] is a typical example--included in 1973 but excluded in 1976 although the Agency still physically occupies the space. This fact creates an imbalance in the figures provided below; i.e., the net decrease in other space is almost entirely attributable to the fact that administrative space has been redesignated covert space and consequently dropped from the run. Another problem is caused by the fact that both the

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[REDACTED] and the Magazine Building are carried on the current run. The fact is that the [REDACTED] Building is replacement space for the soon to be vacated Magazine Building. Because of the time frame involved, however, both currently appear on the run. Since there is no succinct manner of showing the changes which have occurred over the past 3 years, Tabs 1 and 2 are included to provide complete data on the increases/decreases which have taken place as well as to show which space has been terminated and which has been redesignated. In summary form, the following is furnished as a guide:

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As a matter of interest, other Government agencies have reported the following averages:

OMB 226 sq. ft./person

GSA 189 sq. ft./person

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Office and Other Space

NASA 186 sq. ft./person

State 181 sq. ft./person

ERDA 168 sq. ft./person

DoD 143 sq. ft./person

It should be noted that GSA publishes (Form 81-106, Request for Space) an allocation or Work Station Allowance, by grade and/or supervisory vs. nonsupervisory position. These allowances range from 60 sq. ft./person for Grades GS-01 through 06 up to 300 sq. ft./person for those in the supergrades. The Agency does not have a similar allocation system, and the figures provided above were determined by dividing office space by the number of authorized personnel.

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ATTACHMENT D

PRODUCTIVITY MEASUREMENT

All five divisions in the Office of Logistics have been measuring productivity in the various functions they perform for quite some time. In almost all cases, it is simply a matter of comparing the amount of work accomplished with the number of people assigned to a particular task. While there are entirely too many to list them all, a few examples of the more meaningful ones are given here:

1. Logistics Services Division
 - a. Number of pieces of mail handled
 - b. Amount of classified trash disposed of
2. Printing and Photography Division
 - a. Number of jobs planned and scheduled
 - b. Number of plates made
3. Procurement Division
 - a. Number of procurement actions processed
 - b. Number of settlements over 3 years old
4. Real Estate and Construction Division
 - a. Number of safehouses acquired, terminated, and maintained
 - b. Number of Letter Orders processed
5. Supply Division
 - a. Number of line items administratively processed by Supply Management Branch
 - b. Number of line items packed and crated

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